

and a half millions of earned but unpaid premiums is a pretty large amount, considerably larger than the exigencies of the business demand and an unwise extension of credit, for which there is no corresponding benefit sufficient to justify it.

We believe that many company managers begin to realize that an extensive credit system in any branch of insurance is an evil, and like other evils is a growing one. Then why not reform it? A little persistent courage on the part of a few of the leading companies would soon rid the business of this incubus.

A GENTLE REMINDER.

We have in our recollection the case of a gentleman formerly connected with one of our Canadian financial institutions, who, while engaged in a confidential relation, spent the time which should have been given to the work of the company in prying into its secret affairs, of which, when he had acquired a half-knowledge at best, he considered himself the master. At the same time he endeavored to pose as the master of the company also. In the very nature of things his knowledge was imperfect, and he was so advised by his friends whom he took into his confidence, and from whom he endeavored to secure means to enable him to overthrow the very institution in connection with which he became known at all, and which had supported him with the salary paid him, at a time when he was a stranger and a pilgrim in this country. He fired his little shot, and made a sort of sensation for a while; but the institution he had hoped to ruin is to-day among the most substantial on this continent, while he is gone, and it is a question if one of his name can to-day be found holding any position of trust or responsibility, even in the neighboring republic, whither he betook himself several years ago.

Our object in publishing this little private history is to sound a note of warning. It is not a difficult thing for men occupying confidential relations to any corporation to put their heads together, and publish something which may be detrimental to its interests, and, pitiable as it is, we must confess they can often find men unprincipled enough to assist them in their plans. It may be stated as a broad principle, that any man who, while in the employ of any company, informs himself to the extent of copying out of its books matters which he considers derogatory to its interests, for the purpose of using the information so gained against it on leaving its service, is a man whom no company can afford to employ.

We simply refer to this now, and do not care to go further than to suggest that when a man considers himself relieved from his obligation of secrecy by his summary dismissal, he is a dangerous man, and utterly unfit to occupy any position in another company. If the programme laid down by these gentlemen is attempted to be carried out, we may feel it incumbent upon us to so pillory them, that the financial institutions of Canada will know them no more forever.

Licenses Revoked.—Insurance Commissioner Bailey of Minnesota has done the public a real service in the revocation of the licenses of fifteen assessment associations which humbugged the people last year. There are still others which need the pruning knife.

FIRE UNDERWRITING.—SOME CONTRASTS.

While the fire insurance contract throughout the civilized world has come to be based upon the same identical system of personal indemnity to the insured, for damage sustained by the peril insured against, the methods of conducting the details of the business are as varied as are the several localities where it may be practiced.

In England, where fire insurance may be said to have been first practised, the modes and methods of insuring and of the adjustment of losses under insurance are, with but comparatively slight modifications, the same as when the venerable "Amicable Contribution"—now called Hand-in-Hand,—was in its early youth; and the more juvenile, but now scarcely less venerable office, the "Sun Fire," which continues to "shine for all" as serenely in its hoary age as it did in the days of its entrance into the business, when it issued its first policy and adjusted its first loss upon "goods, wares and merchandize," which, by the way, it was the first to write upon.

The science of fire underwriting—if it be a science—the result of the varied experiences of the offices for these many years past, seems to have been kept as a sealed book, open only to the inspection and study of a favored few within the mystic circle of managers of leading offices of the Three Kingdoms; and these, with scarcely an exception, have been sedulously careful to so hide their individual lights under a bushel, as not to permit an unnecessary glimmer to shine forth as beacons of warning or encouragement to the less fortunate underwriter, beyond the enforced confidences exchanged at the sessions of the Tariff Associations, where rates are discussed; and to such an extent has this reticence been carried, that no contested claims against the fire offices have been permitted to find their way into the courts for settlement. Amicable compromises upon disputed points, either with claimants or among the companies themselves, or with both, are resorted to in lieu of legal adjudications in the settlement of losses, lest in the course of the trial something of the practices and status of the office may chance to come to light. Thus the tendency of modern fire insurance practice in England is toward a virtual monopoly of the business among the more powerful offices; and the small companies are fast becoming mere satellites revolving around their respective suns, from which they derive their chief sustenance in the way of guaranty insurance.

What there may be of uniformity among the underwriters, either in the writing of policies or methods of adjusting loss claims, consists largely of scraps of information which, falling from the managers' tables, have been, from time to time, gathered and guarded by employes and officers, and in this form handed down from generation to generation, through the customary "circumlocution office,"—like similar traditions in official and other business, and are now recognized as "the practice of the offices." And during all these centuries, with the untold masses of experience that have been, or might have been gathered, at command, England, as a nation, standing solitary and alone in this particular, has yet to boast of the first practical work of any extent devoted to the theory and practice of fire underwriting, through which an insight might be obtained into the practical workings of the system in vogue in that